

Lease

David Madison & Nancy Madison Logan
1117 Marcia Road
Memphis, TN 38117
(901) 682-4811

LEASE AGREEMENT

ARTICLE 1. PARTIES

THIS LEASE, dated as of **July 1, 2010** between **David Madison & Nancy Madison Logan** hereinafter called Lessor, and **Daniel Hess ; DBA Memphis Makers** hereinafter called Lessee.

ARTICLE 2. CONSIDERATION

WITNESSETH: That each of the aforesaid parties acknowledge the receipt of a valuable consideration from the other and that they and each of them act herein in further consideration of the engagements of the other as herein stated.

ARTICLE 3. PREMISES

That Lessor has and does hereby grant, demise and lease unto the said Lessee and Lessee has and does hereby hire and take from Lessor the following described premises situated in the City, County, and State hereinafter appearing to wit: **3527 Southern Ave, Memphis, Shelby County, TN 38111**

ARTICLE 4. TERM

The Term of this Lease is **Two (2) Years from August 1 2010 to July 31 2012**

ARTICLE 5. RENTAL

The Lessee agrees to pay to the Lessor, without deduction, set-off, counter-claim, prior notice or demand, a total rental of **Eighteen Thousand Four Hundred and No/100 Dollars (\$18,400.00 payable in advance monthly installments as follows: \$800.00 shall be due and payable when the Lease is signed representing the September rent installment. \$800.00 shall be due and payable on or before October 10, 2010 with a like amount due and payable on the first day of each month thereafter for the term of this Lease up to and including July 1, 2012.**

The first monthly installment of rent for the first month of the term is due and payable upon Lessee's execution of the Lease. All rentals due under this lease are payable to the order of

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All sums due Lessor under this Lease shall be deemed rent, irrespective of whether same are hereinafter specifically designated as rent.

ARTICLE 6. APPLICATION OF RENTAL PAYMENTS

The Lessor may apply any payments made by the Lessee to such items and in such order as the Lessor sees fit, irrespective of any designation or request by the Lessee as to the items or order to which such payments should be credited.

ARTICLE 7. LATE CHARGE. DEFAULT INTEREST CHARGE FOR RETURNED CHECKS.

The Lessee acknowledges that the late payment of Rent will cause the Lessor to incur damages, including administrative costs, loss of use of the overdue funds and other costs, the exact amount which would be impractical and extremely difficult to fix. The Lessor and Lessee agree that if the Lessor does not receive a payment of Rent on or before the **10th** day of each month, the Lessee shall pay to Lessor a late charge equal to ten percent (10%) of the overdue amount and the overdue amount shall bear interest at the Interest Rate (as such term is defined below), from the date payment of such amount was due until Lessor receives the overdue payment. Acceptance of the late charge by Lessor shall not cure or waive Lessee's default nor prevent the Lessor from exercising, before or after acceptance, any of the rights and remedies for a default provided in this Lease or at law. Payment of the late charge is not an alternative means of performance of Lessee's obligation to pay Rent at the times specified in this Lease. The Lessee will be liable for the late charge regardless of whether Lessee's failure to pay the Rent when due constitutes a default under the Lease or whether the Lessor sent the Lessee an invoice for such Rent and/or late charge. The term "Interest Rate" shall mean the lower of (a) the maximum [written contract] interest rate permitted by law or (b) three percent (3%) above the rate publicly

announced from time to time by the First Tennessee National Bank Association as its Prime Rate. Whenever interest is required to be paid under this Lease, the interest shall be calculated from the date the payment was due or should have been due until the date payment is made against the rent due. If the late charges and interest provided in this paragraph should be determined by a court of competent jurisdiction to be in excess of that allowed by applicable law, the amount thereof shall be reduced to the amount allowed by applicable law and any excess collected by Lessor shall be refunded to Lessee.. Lessee will pay on demand a \$35.00 charge for any returned check.

ARTICLE 8. SECURITY DEPOSIT

On the date of execution of this Lease Agreement by Lessee, there shall be due and payable by Lessee a security deposit in the amount of **\$800.00** to be held by Lessor, without liability for interest, for the performance by Lessee of Lessee's covenants and obligations under this Lease Agreement, it being expressly understood that the deposit shall not be considered an advance payment of rental or a measure of Lessors damage in case of default by Lessee. Lessor shall be under no obligation to place the security deposit in a segregated account. Upon the occurrence of any event of default by Lessee or breach by Lessee of Lessee's covenants under this Lease Agreement, Lessor may, from time to time, without prejudice to any other remedy, use the security deposit to the extent necessary to make good any delinquent rents and/or damages, injury, expense or liability caused to Lessor by the event of default or breach of covenant, any remaining balance of the security deposit to be returned by Lessor to Lessee upon termination of this Lease Agreement.

ARTICLE 9. PROOF OF PAYMENT

The burden of proof of payment of rent in case of controversy shall be upon the Lessee.

ARTICLE 10. NUISANCE, CONDITION OF PREMISES, ETC.

The Lessee covenants and agrees with the said Lessor that the said premises shall be used and occupied in a lawful, careful, safe and proper manner, that Lessee will maintain the premises in good order, repair, and condition (except with respect to repairs Lessor is required to make pursuant to Article 21 hereafter), that no nuisance, trade, or custom which is unlawful or known in insurance as extra or especially hazardous shall be permitted therein; that no waste shall be committed upon, nor any damages be done to said premises; and Lessee shall maintain the premises in compliance with applicable laws.

ARTICLE 11. ALTERATIONS

The said Lessee shall not make any alterations to said premises without the written consent of the Lessor first had and obtained, and all additions and improvement made by the Lessee shall be and remain the property of the Lessor. All such alterations by Lessee shall be done by Lessee at its sole cost and expense. In the event of any changes, alterations or additions being required by any law, ordinance or regulation of the Fire Department or Board of Health, arising out of Lessee's use or occupancy of the premises, then the cost of such changes, alterations or additions shall be paid solely by the Lessee.

ARTICLE 12. SUBLETTING

The said Lessee hereby covenants and agrees that neither the said premises nor any part thereof shall be underlet without the consent in writing of the Lessor, nor shall this lease be assigned (whether for the benefit of the creditors of said Lessee or otherwise) without such written consent. In no event shall the subletting or assignment of this lease relieve the Lessee of any of the covenants, agreements and obligations imposed on the Lessee in this lease. Consent to subletting shall not be unreasonably withheld. In the event the Lessee wishes to sublet all or any portion of the premises, then in consideration of the Lessor's consent to such subletting the Lessor shall be paid as additional rental one-half (1/2) of the amount by which the rental paid by the sublessee exceeds the rent which the Lessee is obligated to pay.

ARTICLE 13. DELIVERY AT END OF LEASE

Lessee agrees to deliver up to Lessor the premises at the expiration of this lease in good order, repair, an condition, broom clean, and free of all persons, of all personal property of Lessee, and of all property of persons other than Lessor, and make good all damages to said premises, with keys to the same be returned to said Lessor, at or prior to such expiration, in like good order and no demand or notice with respect to the foregoing of such delivery shall be necessary.

ARTICLE 14. EVENTS OF DEFAULT. REMEDIES

All covenants and agreements herein made and obligations of Lessee are to be construed also as conditions and are not collateral. Any of the following events shall be deemed to be events of default by Lessee under this lease:

- (a) Lessee shall fail to pay when due and payable any rent or other sums required to us paid under this Lease;
- (b) Lessee shall otherwise fail to comply with any term, provision or covenant of this Lease;
- (c) Lessee shall make an assignment for the benefit of creditors;
- (d) A petition under any chapter of the Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof shall be filed by or against Lessee; or Lessee shall be adjudged a bankrupt or insolvent in any proceedings under federal or state law;
- (e) A receiver or trustee shall be appointed for all or substantially all of the assets of Lessee; or
- (f) Lessee shall abandon the premises.

Upon the occurrence of any event of default, Lessor shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

(a) Terminate this lease in which event Lessee shall immediately surrender the premises to Lessor, and if Lessee fails to do so, Lessor may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession and remove Lessee and any other person who may be occupying the premises or any part thereof and all property of Lessee and such persons. Lessee agrees to pay to Lessor on demand the amount of all loss and damage which Lessor may suffer by reason of such termination, whether through inability to relet the premises on satisfactory terms or otherwise, including without limitation damages to the date of judgment and the present value of future rent;

(b) Enter upon and take possession of the premises and peaceably remove Lessee and any other person who may be occupying the premises or any part thereof. If Lessor elects to relet the premises and receive the rent therefor, then Lessee agrees to pay Lessor on demand any deficiency that may arise by any reason of such reletting;

(c) Enter upon the demised premises, and do whatever the Lessee is obligated to do under the terms of this Lease; and Lessee agrees to reimburse Lessor on demand any expenses which Lessor may incur in thus effecting compliance with Lessee's obligations under this Lease together with interest at the lesser of 12% per annum or the highest written contract rate of interest then allowed by applicable law, and Lessee further agrees that Lessor shall not be liable for any damages resulting to the Lessee from such action;

(d) File suit for unlawful detainer, ejectment, damages, injunction, or other appropriate relief;

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Lessor hereunder or any other damages occurring to Lessor by reason the violation of any of the terms, provisions and covenants herein contained. Lessor may exercise its rights and remedies in any order determined by Lessor. Failure of Lessor to exercise any right or remedy upon any event of default shall not preclude Lessor from exercising such right or remedy on a subsequent event of default.

ARTICLE 15. LIEN ON LEASEHOLD, ETC.

A lien is hereby granted by the Lessee, and expressly reserved by the Lessor, upon the terms of this Lease for the payment of rent, and also for the satisfaction of any cause of action which may accrue to said Lessor by the provisions of this instrument. This lien is expressly reserved by the Lessor, and granted by the Lessee, upon any and all buildings, improvements, store fixtures, water fixtures and gas fixtures erected on or put in place, or may be erected on or put in place upon the premises, by or through the Lessee, for the satisfaction of rent charged herein.

ARTICLE 16. HOLDOVER

Should the Lessee remain in possession of all or any part of the leased premises after the term of this lease, such holding over shall, be deemed to have created and be construed to be a tenancy from month to month terminable on thirty (30) days notice from either party to the other, at a monthly rental equal to the total of (1) one and one half (1 1/2) times the monthly installment of rent payable for the last month of the term of this lease; (2) Lessee's proportionate share of taxes; (3) Lessee's share of common area charges and all other charges under this lease and otherwise subject to all of the other terms, covenants, and conditions of this lease insofar as the same may be applicable to a month to month tenancy.

ARTICLE 17. PROTECTION FROM VIOLATION OF LAWS

The Lessee agrees to save and hold the Lessor harmless from all claims, fines, penalties, causes of action and damages (including without limitation reasonable attorneys' fees) arising out of or in any way connected with violations by Lessee or its agents, independent contractors, invitees, or subtenants of the laws of the United States or the State, County, and City wherein the premises are located.

ARTICLE 18. ADVERTISING

Lessee shall not be permitted to affix or attach, or cause to be affixed or attached, any signs on or to the premises without the prior consent in writing from the Lessor. On or prior to termination of this lease, Lessee shall remove any sign, advertisement or notice painted on or affixed to the leased premises and restore the place it occupied in the condition which it existed as of the date of this lease. Upon Lessee's failure to so remove, Lessor, at its option, may do so at Lessee's expense and Lessor's costs and expenses shall be payable on demand.

ARTICLE 19. INCREASE IN INSURANCE

PREMIUMS NOT TO BE CAUSED BY LESSEE

Neither the Lessee, nor any of his employees, agents, visitors, subtenants, licensees, or concessionaires of Lessee, shall at any time cause, permit, or suffer any use of the premises which may render an increased or extra premium payable for the insurance of the premises against fire and the hazards insured under extended coverage. Lessee shall be solely responsible for all increases in fire and extended coverage insurance premiums which are attributable to such use. Lessee shall be liable for all such insurance premium increases, regardless of whether Lessee obtains or does not obtain Lessor's written consent to such use. Lessee shall pay such increased or extra premiums within ten days after Lessee is advised in writing thereof. All or part of any increased or extra fire and extended coverage premiums which are actually assessed against Lessee under this section shall not be pro-rated among the other tenants leasing under Lessor.

ARTICLE 20. PAYMENT OF INCREASE IN INSURANCE COSTS

The rent being charged under this Lease Agreement is based in part upon certain insurance costs applicable to the leased premises as of 2007 which year shall hereinafter be referred to as the "base year" for insurance costs. The basis of such insurance costs includes, but is not limited to, the costs of premiums for the following types of insurance: fire and extended coverage, all risk loading, malicious mischief, vandalism and "other perils." Increased property values, including the appreciation of insured values after the inception date of the lease or base year, also affect insurance costs. All of such insurance costs are calculated and assessed separately for each address in each building. Lessee shall be assessed annually for Lessee's pro-rata share of all insurance costs associated with Lessee's fire division which exceed the base year insurance costs. Lessee's pro-rata share for purposes of making such assessment shall be determined by first dividing the square footage of the space in the premises by the amount of the total square footage within the applicable fire division in order to arrive at a percentage of the fire division occupied. Second, the base year insurance costs above are subtracted from the current year insurance costs. This difference is multiplied by the percentage of the fire division occupied yielding the Lessee's annual pro-rata share of increased insurance costs. Any increase is to be paid at the time a bill for the same is presented.

Example

Description \$1,000.00. Lessee occupies 4,000 sq. ft. in a building which has 10,000 square feet between firewalls. Base year insurance costs for this space are \$600.00. Current year insurance costs are Application: Sq. ft. occupied 4,000 Sq. ft. bldg. or firewall to firewall 10,000 s.f. fire division occupied - 4,000/10,000 = .4000 s.f. Current year insurance costs \$1,000 Less Base year insurance costs 600 Difference \$400.00 X .4000 Total Amount Due: \$160.00

ARTICLE 21. CONDITION OF PREMISES AND REPAIRS

It is hereby further agreed that the Lessee has examined the premises and is satisfied as to the condition thereof, and the Lessee expressly agrees that no representation as to the condition of the demised premises has been relied upon by it or made by the Lessor or its agents. All necessary repairs to the roof and outside walls, excluding all doors, shall be made by the Lessor, provided the Lessor is advised in writing by the Lessee that repairs to the roof and outside walls are required. All other repairs shall be made by Lessee promptly when needed and in a good and workmanlike manner and in accordance with applicable laws. Where contractors or manufacturer's warranties are applicable and the Lessee advises the Lessor in writing of the need for such repair, the Lessor, at its option, will enforce such warranties for the Lessee's benefit or assign such warranties to Lessee for Lessee to enforce. It is expressly agreed and understood by and between the parties of this lease that the Lessor shall not be liable to the Lessee for any damage or injury which may be sustained by the Lessee as a result of leaks in the roof and outside walls or in Lessor's failing to properly repair any such leaks.

ARTICLE 22. PLATE GLASS INSURANCE

The said Lessee agrees to carry adequate plate glass insurance with a loss payable clause in favor of the Lessor. Lessee will on demand provide Lessor proof of such insurance in form satisfactory to Lessor.

ARTICLE 23. PIPES AND REPAIRS

It is acknowledged that the water, gas, sewer pipes are in good condition, and if said pipes burst or become stopped up due to Lessee's negligence, the Lessee must promptly repair them at Lessee's own expense.

ARTICLE 24. RIGHT OF ENTRY

Lessor, its agents, and independent contractors shall have the right to enter into and upon any and all parts of the premises.

1) At all reasonable hours to view and inspect same, or to make such repairs, additions and alterations or to run such pipes or electric wire as Lessor may deem necessary.

2) During business hours to show the demised premises to prospective tenants, purchasers or lenders.

Lessee shall not be entitled to any abatement or reduction of rent by reason of such entry.

ARTICLE 25. FIRE CLAUSE

In case the said premises shall be so injured or damaged by fire or other casualty as to be rendered untenable, and so that necessary repairs or rebuilding cannot be made within 120 days from the date of such casualty, this lease shall terminate and the Lessee shall be allowed an abatement of rent from the time the premises were rendered untenable. However, if the damage is such that rebuilding and repairs can be completed within such 120 days, the Lessor agrees to make such repairs with reasonable promptness, and to allow Lessee an abatement in rent for such time as the building remains untenable; and the Lessee covenants and agrees that the terms of this lease shall not be otherwise affected.

ARTICLE 26. INDEMNITY. LIABILITY, INSURANCE

Lessee agrees to hold Lessor harmless against any and all claims, causes of action, damages (including without limitation reasonable attorneys' fees), accidents and injuries to persons or property caused by or in any way resulting from or in connection with the use or occupancy of the premises or any things in or pertaining to or upon the premises during the term of this lease. Lessee shall, during the entire term hereof, keep in full force and effect a policy of public liability and property damage insurance with respect to the leased premises, and the business operated by Lessee and any sub-Lessees of Lessee in the leased premises in which the limits of public liability shall not be less than \$1,000,000.00 per person and \$2,000,000.00 per accident and in which the property damage liability shall be not less

\$100,000.00 Lessor's shall be designated as a named insured with respect to such insurance coverage. The insurance shall be with an insurance company approved by Lessor and a certificate of insurance, which shall contain a clause that the insurer will not

cancel or change the insurance without first giving the Lessor ten days prior written notice, shall be delivered to Lessor on demand. The insurance shall provide that the insurance may not be cancelled except on 30 days prior written notice to Lessor.

ARTICLE 27. UTILITIES

Utility payments are the responsibility of the Lessee.

ARTICLE 28. TAX INCREASES

As a further consideration for the use of the within leased premises, the Lessee agrees to pay to the Lessor its pro-rata share of any increase in annual taxes levied against the land and buildings of which the within leased premises are a part over those annual taxes levied for the year 2010 Lessee shall be obligated under the provisions of this paragraph whether such increase in annual taxes results from an increase in the tax assessment or the tax rate or the imposition of new or additional taxes on the leased premises. In the event of a tax rate increase subsequent to the date of this agreement and prior to a first full years assessment on the completed premises, then the Lessee agrees to pay its pro-rata share of such increase. Any increase is to be paid at the time a bill for the same is presented to the Lessee.

ARTICLE 29. ATTORNEY FEES

In the event it becomes necessary for the Lessor to employ an attorney to enforce collection of the rents agreed to be paid, or to enforce compliance of any of the covenants and agreements herein contained, or to protect Lessor's rights and remedies, Lessee shall be liable for reasonable attorney's fees, costs and expenses incurred by the Lessor and Lessee shall pay same on demand.

ARTICLE 30. KIND OF BUSINESS

The business to be conducted in the leased premises is as follows: **Creative Hobbies**

No other use of the premises is allowed without the Lessor's prior written consent.

ARTICLE 31. GOING BUSINESS

Lessee covenants that a going business, as above described, shall be conducted in the premises throughout the full term of the lease. If Lessee shall cease to operate said business on the premises for a period in excess of two weeks, Lessee shall be deemed to have abandoned the premises.

ARTICLE 32. BANKRUPTCY, ETC.

Should bankruptcy, insolvency or receivership proceedings of any kind be instituted by or against Lessee, or any one of the Lessees if more than one are included in the designation "Lessee" herein, devolve or pass by operation of law to any other person or corporation, then, at the option of Lessor, that shall be considered a breach of the terms and conditions of this lease, and Lessor may pursue the remedies provided under the paragraph entitled "Default of Rent, etc." hereof.

ARTICLE 33. NOTICE

Any notice provided for herein will be deemed to have been given Lessor when delivered by hand or deposited in Registered or Certified mail, postage paid, addressed to Lessor at :

David Madison

1117 Marcia Road

Memphis, TN 38117

ARTICLE 34. EMINENT DOMAIN

If the leased premises be subject to any eminent domain proceedings, this lease shall terminate if all of the leased premises are taken or if the portion taken is so extensive that the residue is wholly inadequate for Lessee's purposes, as set out in the paragraph entitled "Kind of Business". If the taking be partial, then Lessee's rentals shall be reduced in the proportion which the space taken bears to the space originally leased. In such condemnation proceedings Lessee may claim compensation for the taking of any removable installations which by the terms of this lease Lessee would be permitted to remove at the expiration of this lease, but Lessee shall be entitled to no additional award, it being agreed that all damages allocable to full fee simple ownership of the entire leased premises shall in any event be payable to Lessor.

ARTICLE 35. WAIVER OF BREACH

It is hereby covenanted and agreed that no waiver of a breach of any of the covenants of this lease shall be construed to be a waiver of any succeeding breach of the same or any other covenant.

ARTICLE 36. QUIET POSSESSION

Subject to Lessee's compliance with all terms, the covenants and agreements contained in this lease, Lessor agrees to warrant and defend the Lessee in the quiet and peaceful possession of the said premises during the term of this Lease.

ARTICLE 37. BINDING ON HEIRS, ETC.

It is further agreed by the parties to this Lease that all of the covenants and agreements enumerated herein shall be binding upon the parties' legal representatives, heirs, successors, and assigns.

ARTICLE 38. DELIVERY OF POSSESSION

Lessee agrees that if the Lessor is not able to deliver possession of the premises on the date herein provided, the Lessor shall not be liable for any damages to Lessee for such failure, but Lessor agrees to use due diligence to tender possession to the Lessee at the earliest possible date, and an abatement of rent shall be allowed for such time as Lessee may be deprived of possession of said premises.

ARTICLE 39. WAIVER OF SUBROGATION

To the extent permitted by the parties' respective insurance policies, Lessor and Lessee hereby waive any right of subrogation which they may have against the other for any losses paid to them on policy or policies carried on the premises, and or its contents.

ARTICLE 40. OUTSIDE STORAGE, TRASH, ETC.

Lessee agrees not to store any merchandise, crates or materials of any kind outside the leased building. Lessee further agrees not to burn trash or other substances on the leased premises. All trash shall be kept in metal containers with metal tops which must be kept painted. Their design and location on the premises must be approved by Lessor. The trash containers shall be placed and kept at the location designated by Lessor. In the event the Lessee shall be in default in the requirements of this paragraph then, after written notice to Lessee of the default and the expiration of five (5) days from the date of said written notice, the Lessor may remedy such default at the Lessee's expense, and such expense shall be treated as additional rental owing by the Lessee to the Lessor and payable on demand.

ARTICLE 41. SUBORDINATION. ATTORNMENT

At the option of Lessor's mortgagee, the Lessee agrees that this lease shall be subordinate to any mortgage, deed of trust or encumbrance which the Lessor may have placed, or may hereafter place, on the premises. Lessee agrees to execute, on demand, any instrument which may be deemed necessary or desirable to render such mortgage, deed of trust or encumbrance, whenever made, superior and prior to this lease. Lessee shall within 10 days after the request of Lessor or a mortgagee of the real property and improvements of which the premises are a part execute and deliver to the mortgagee an attornment agreement, in form and substance satisfactory to the mortgagee, whereby Lessee agrees to attorn to the mortgagee if and when the mortgagee or its successor or assigns obtains possession of the real property and improvements as a result of Lessor's default under the mortgage.

ARTICLE 42. SIGN APPROVAL

Lessor shall have the right to approve any sign placed on the building by Lessee.

ARTICLE 43. USE OF PREMISES

Lessee agrees not to use the premises and the improvements thereon during the term of this Lease for unlawful purposes. Lessee further agrees not to use or suffer or permit the premises or the improvements to be used in violation of any law, ordinance, or regulation of any governmental authority, or in any manner that shall create a nuisance or any unreasonable annoyance to the occupants or owners of adjoining property, or for any hazardous purpose, or in any manner that may violate any insurance policy or policies covering the buildings or their contents.

ARTICLE 44. CREATION OF NUISANCE, ANNOYANCE, OR DAMAGE TO OTHERS FORBIDDEN

Lessee covenants that Lessee will not allow said premises to be used for any illegal or immoral purpose, and that he will not do, or cause, suffer, or permit to be done, on or about said premises any act or thing which may be a nuisance, annoyance, inconvenience, or damage to the Lessor, the Lessor's other lessees, the Lessee, the occupants of adjoining property, or the neighborhood. In the event that the property is being leased for a restaurant, there shall be no mixed drinks, lewd conduct, gambling nor topless dancing, notwithstanding the uses set forth in the paragraph entitled "Kind of Business" hereof. The premises shall not be used for the sale or distribution of pornographic materials.

ARTICLE 45. ESTOPPEL CERTIFICATES

Lessee agrees to furnish promptly, from time to time, on request from Lessor or Lessor's mortgagee, a statement, if applicable, that Lessee is in possession of leased premises; the leased premises are acceptable; the lease is in full force and effect; the lease is unmodified; Lessee claims no present charge, lien, or claim of offset against rent; the rent is paid for the current month, but is not prepaid for more than one month in advance; there is no existing default by reason of some act or omission by Lessor or Lessee and no event has occurred which with the giving of notice or lapse of time or both, would constitute such default; and such other matters as may be reasonably required by Lessor or Lessor's mortgagee. Any and all estoppels requested by Lessor shall be executed and returned to Lessor within seven (7) days upon request of such estoppel.

ARTICLE 46. NO ACCORD AND SATISFACTION

No payment by Lessee or receipt by Lessor of a lesser amount than the full rent and/or other charges stipulated herein shall be deemed to be other than on account of obligations of Lessee to Lessor to be applied as determined by Lessor; nor shall any endorsement, legend, or statement on any check or any letter accompanying or pertaining to any check or payment as rent be deemed an accord and satisfaction, and Lessor may accept such check or payment without prejudice to Lessor's right to recover the balance of rent and/or other charges or pursue any other right or remedy available to Lessor.

ARTICLE 47. APPLICABLE LAW / SEVERABILITY

This Lease shall be governed by, and construed in accordance with, the laws of the State of Tennessee. If any provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease shall not be affected thereby and each provision of the Lease shall be valid and enforceable to the fullest extent permitted by applicable law.

ARTICLE 48. FORCE MAJEURE

This Lease and the obligations of Lessee hereunder shall not be affected or impaired because Lessor is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability to or delay is caused by reason of force majeure. The term "force majeure" shall mean strike or other labor troubles, civil commotion, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain any materials, service, or financing, acts of God, or by other cause beyond the reasonable control of Lessor.

ARTICLE 51. LESSOR'S RIGHT TO ADVANCE FUNDS

Lessor, at its discretion, and without any obligation or liability to Lessee, may advance and pay such sums as may be proper to perform or satisfy any act required, or obligation, of Lessee under this lease with respect to which Lessee is in default and may enter upon the premises as required for such purposes. Any sum so paid and all reasonable costs and expenses (including without limitation reasonable attorney's fees) incurred by Lessor in connection with such advances and payments and Lessor's performance or satisfaction of such acts or obligations, together with interest thereon at the lesser of 12% per annum or the highest written contract rate of interest then allowed by applicable law, shall be due and payable by Lessee to Lessor upon demand. Lessor's exercise of its rights and remedies under this paragraph shall not be deemed to cure or waive any default of Lessee under this lease.

ARTICLE 53. HAZARDOUS SUBSTANCES

Tenant covenants that it will not cause, suffer, or permit the presence, generation, release, spill, dumping, manufacture, or use of Hazardous Substances (hereinafter described) on or from the premises in violation of any applicable federal, state, or local laws. "Hazardous Substances" means any substances or materials deemed hazardous or toxic under such laws, petroleum products, asbestos, polychlorinated biphenyls, urea formaldehyde, radioactive materials, explosives, and other substances and materials regulated by law. Lessee will indemnify and hold Lessor harmless from all claims, causes of action, penalties, fines, and damages (including without limitation reasonable attorneys' fees) arising out of or in any way connected with Lessee's breach of this paragraph and any investigation, testing, containment, clean up, treatment, or remediation relating to such Hazardous Substances.

ARTICLE 54. NO MECHANICS' LIENS

Lessee shall have no authority, express or implied, to create or place any lien or encumbrance of any kind or nature upon the interest of Lessor in the premises. Lessee covenants that it will fully and punctually pay or cause to be paid all sums due and payable on account of any work performed or materials furnished in connection with any work performed on the premises by or on behalf of Lessee. If any mechanics' or materialmen's liens are filed with respect to Lessor's interest in the premises in respect to such work of materials, Lessee shall cause such lien to be discharged and released within 30 days after the lien is filed.

ARTICLE 55. INDEMNITY

Lessee shall indemnify and hold Lessor harmless from all claims, causes of action, loss, and damages (including without limitation reasonable attorneys' fees) arising out of or in any way connected with the use and occupancy of the premises or Lessee's breach of this lease.

ARTICLE 56. NO ACCEPTANCE OF SURRENDER OF PREMISES

No action of the Lessor or its agents during the term hereby granted shall be deemed an acceptance of a surrender of the demised premises unless such surrender is by agreement in writing executed by Lessor.

ARTICLE 57. LESSOR'S DEFAULT

Lessee shall give Lessor written notice of any default by Lessor under this lease. Such notice shall be given within 30 days after Lessor's default, and if Lessee shall fail to give such notice, the default shall be deemed waived. Lessor shall have 30 days after such notice to cure such default or if such default cannot be cured within said 30 days, Lessor shall have such additional time as is reasonably necessary to cure the default provided Lessor begins curing the default within said 30 days and diligently pursues to completion the curing of such default. No claim of Lessee against Lessor shall be asserted as deduction, set-off, or counterclaim as to any amount due and payable by Lessee to Lessor but shall be asserted by Lessee solely in a separate suit by Lessee. Any claim or judgment against Lessor shall be satisfied solely out of Lessor's interest in the real property and improvements thereon of which the premises are a part.

ARTICLE 58. WAIVER OF JURY TRIAL

EACH PARTY, AFTER CONSULTATION WITH ITS COUNSEL, WAIVES TRIAL BY JURY AS TO ANY MATTERS ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE.

ARTICLE 59. TIME OF ESSENCE

Time is of the essence with respect to the performance of obligations under this lease.

ARTICLE 60. CONSTRUCTION OF LEASE

The provisions of this lease shall not be strictly construed against any party but shall be construed on a fair reading of the entire Lease to determine the intent of the parties. The captions contained in this Lease are for convenience or reference only, and in no way limit or enlarge the terms and conditions of this Lease. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be hold to include the plural, unless the context otherwise requires.

IN WITNESS WHEREOF, the parties, acting through their duly authorized representatives, have set their hands and seals to this lease as of the date first above written.

David Madison & Nancy Madison Logan
LESSOR

Owner_____

Date

Daniel Hess
(LESSEE)

Date

XXXXXXX
(LESSEE)

Date

XXXXXXX
(LESSEE)

Date